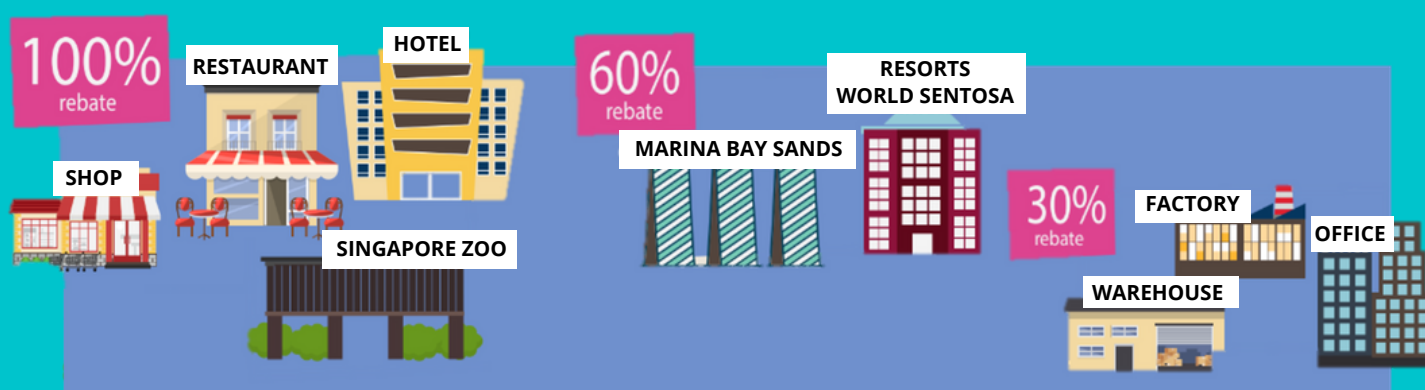


# PROPERTY TAX REBATE 2020

FOR NON-RESIDENTIAL PROPERTIES

[As at 29 Dec 2020]

The property owner will receive a rebate of up to 100% of the property tax payable for non-residential properties. The property tax (PT) rebate is intended to help business operators affected by COVID-19 pandemic.



## HOW IS THE PT REBATE DETERMINED?

The PT rebate is calculated based on property tax.



Property tax payable for 2020 non-residential property  
= 10% property tax rate X Annual Value (AV) of the property

- AV is the estimated gross annual rent of the property if it were to be rented out, and can change during 2020
- For instance, AV can change, depending on improvements made to the property or changes in market rental over the course of the year
- Correspondingly, the amount of PT rebate received by the property owner, and that which the property owner is required to pass on to his prescribed lessee or licensee (*henceforth, referred to collectively as "tenant"*), may adjust over the course of 2020



Property owners and tenants may find it useful to reach an agreement on how any future adjustments to the amount of PT rebate (due to changes in AVs) should be handled.



## WHEN SHOULD PROPERTY OWNERS PASS ON THE PT REBATE?

1

By 31 Jul 2020  
to pass on the rebate  
for Jan to Jun 2020



2

By 31 Dec 2020  
to pass on the rebate  
for Jul to Dec 2020



Property owners can pass on the PT rebate earlier than these milestones.

## READ ON FOR DETAILS



### WHAT ARE PROPERTY OWNERS REQUIRED TO DO?



- Pass on the PT rebate attributable to a rented property to his tenant **in full**, in a **timely manner**, and **unconditionally**
- Keep proper records (e.g. information on the amount, manner and time of pass-on) until 31 Dec 2023

### WHO WILL PROPERTY OWNERS PASS THE PT REBATE ON TO?



- Property owner's lessees
  - Property owner's licensees with an initial licence period of 1 year or more
- Do note that lessees and licensees must be an occupant of the premises on or after 3 Apr 2020.

### IN WHAT FORM SHOULD PROPERTY OWNERS PASS ON THE PT REBATE?



- Monetary payment; or
- Reduction or offset in rental payments on or after 3 Apr 2020

### WHAT IS THE AMOUNT OF THE PT REBATE TO BE PASSED ON?



Owners are to pass on the PT rebate fully. As tenants may change during 2020, each tenant generally can receive a proportion of the total rebate based on the duration of his lease or license in 2020.

### CAN PROPERTY OWNERS IMPOSE CONDITIONS WHEN PASSING ON THE PT REBATE?



Property owners must not subject the pass-on to any conditions, e.g. clawback of PT rebate in the event of early termination is not allowed.

### WHAT IF THE PROPERTY OWNER HAS ALREADY PASSED ON THE PT REBATE BEFORE 3 APR 2020?



#### Where there is contractual agreement

between the property owner and his tenant before 3 Apr 2020, the amount of PT rebate passed on under the agreement will count, regardless of the form of pass-on and even if the pass-on was subject to conditions



#### Where there is no contractual agreement

between the property owner and his tenant before 3 Apr 2020, the amount of PT rebate passed on before 3 Apr 2020 will be counted, if passed on unconditionally in the following forms: (a) monetary payment; (b) reduction or offset in rental payments; or (c) offset of rental arrears

Any remaining rebate amount as at 3 Apr 2020 must be passed on according to the legislated requirements for the pass-on.

### WHAT IF THERE IS A DISAGREEMENT BETWEEN PROPERTY OWNERS AND TENANTS?



The property owner is required to share with his tenant, information on how the owner is fulfilling the requirements to pass on fully to his tenant.

If there is any disagreement as to whether the owner has passed on the PT rebate in full, in a timely manner, and unconditionally, either party may bring the dispute to the Valuation Review Panel **no later than 31 Dec 2021**. If the notice of property tax rebate is issued in 2021, the deadline to lodge an application is 8 months after the date of notice or 31 Dec 2021, **whichever is later**. For more details on the Valuation Review Panel, including the application process, please refer to MOF's website ([www.go.gov.sg/vrp](http://www.go.gov.sg/vrp)).

FOR MORE DETAILS ON THE PASS-ON OF THE PROPERTY TAX REBATE :

COVID-19 (Temporary Measures)

(Transfer of Benefit of Property Tax Remission) Regulations 2020



[www.iras.gov.sg](http://www.iras.gov.sg)

[e-Tax Guide] Property Tax Rebate for Non-Residential Properties in 2020 (Fifth Edition)

